Amendments to the Specification:

Please replace the paragraph at page 1, lines 6-12 with the following amended paragraph:

The present invention relates generally to a contents processing method in a variety of terminals including a mobile phone and a portable terminal such as a PDA (Personal Digital Assistant) and a laptop computer (hereinafter, a portable terminal is taken as an example for better understanding of the present invention)., and in particular, More particularly, the present invention relates to a contents storing and reproducing method for preventing indiscriminate downloading of contents and allowing contents exchange between terminals.

Please replace the paragraph at page 1, lines 15-21 with the following amended paragraph:

As terminals capable of processing various contents, for example, portable terminals have recently been equipped with the functions of MOD (Music On Demand) and VOD (Voice On Demand) in addition to voice call and wireless Internet browsing, they are connected to diverse contents server like MOD and VOD servers by wired or wireless Internet access, whereby they download contents to their memories in real time, store them, and reproduce them (MOD contents, VOD contents, etc.)

Please replace the paragraph at page 1, lines 23-28 with the following amended paragraph:

In the case of contents received from a contents server, especially paid contents, the contents are so configured as not to be exchanged directly between terminals. Therefore, a user accesses a desired contents server, searches for contents, and downloads them. Inconveniently, despite Despite the presence of desired contents among contents downloaded to other terminals around him, the user inconveniently accesses a server via wireless Internet and searches for the desired contents.

Please replace the paragraph at page 5, lines 4-18 with the following amended paragraph:

In operation, when a user dials through the keypad 27 and sets an origination mode, the controller 10 senses it, processes received dialing information through the data processor 21, and converts the processed information to an RF signal prior to transmission. Upon generation of a response signal from a called terminal, the controller 10 senses it through the RF module 21 and the data processor 23. A voice communication path is then established through the audio processor so that the user can converse. In a termination mode, the controller 10 senses the termination mode through the data processor 23 and generates a ring signal through the audio processor 25. When the user answers, the controller 10 senses the answer and establishes the voice communication path through the audio processor so that the user can converse. While the origination and termination modes have been described in relation to a voice call, they are applied in the same manner to data communication including packet data and video data. In an idle mode or in text communications, the controller 10 displays text data processed by the data processor 23 on the display 80.

Please replace the paragraph at page 8, lines 4-10 with the following amended paragraph:

The controller 10 compares the read portable terminal identification information with the portable terminal identification information of the portable terminal in step 221. If the contents were downloaded directly from the contents server, the portable terminal identification information is identical to the portable terminal identification information of the portable terminal. On the other hand, if the contents were received from another portable terminal such as that of a friend's friend or family member member's, they are different.

Please replace the paragraph at page 8, lines 18-27 with the following amended paragraph:

Specifically, the controller 10 can display a message notifying that the contents have not been registered normally on the display 80. [[Or]]Alternatively, it can display a message asking whether to register the contents normally and a menu by which the user can select an answer about the contents registration. The user views the message and determines whether to register the contents through the keypad 27. If the user determines to register the contents in step 227, the controller 10 is connected to the contents server and performs a normal contents registration

procedure in step 229. On the contrary, if the user determines not to register the contents in step 227, the controller 10 deletes the contents from the memory 29 in step 235.